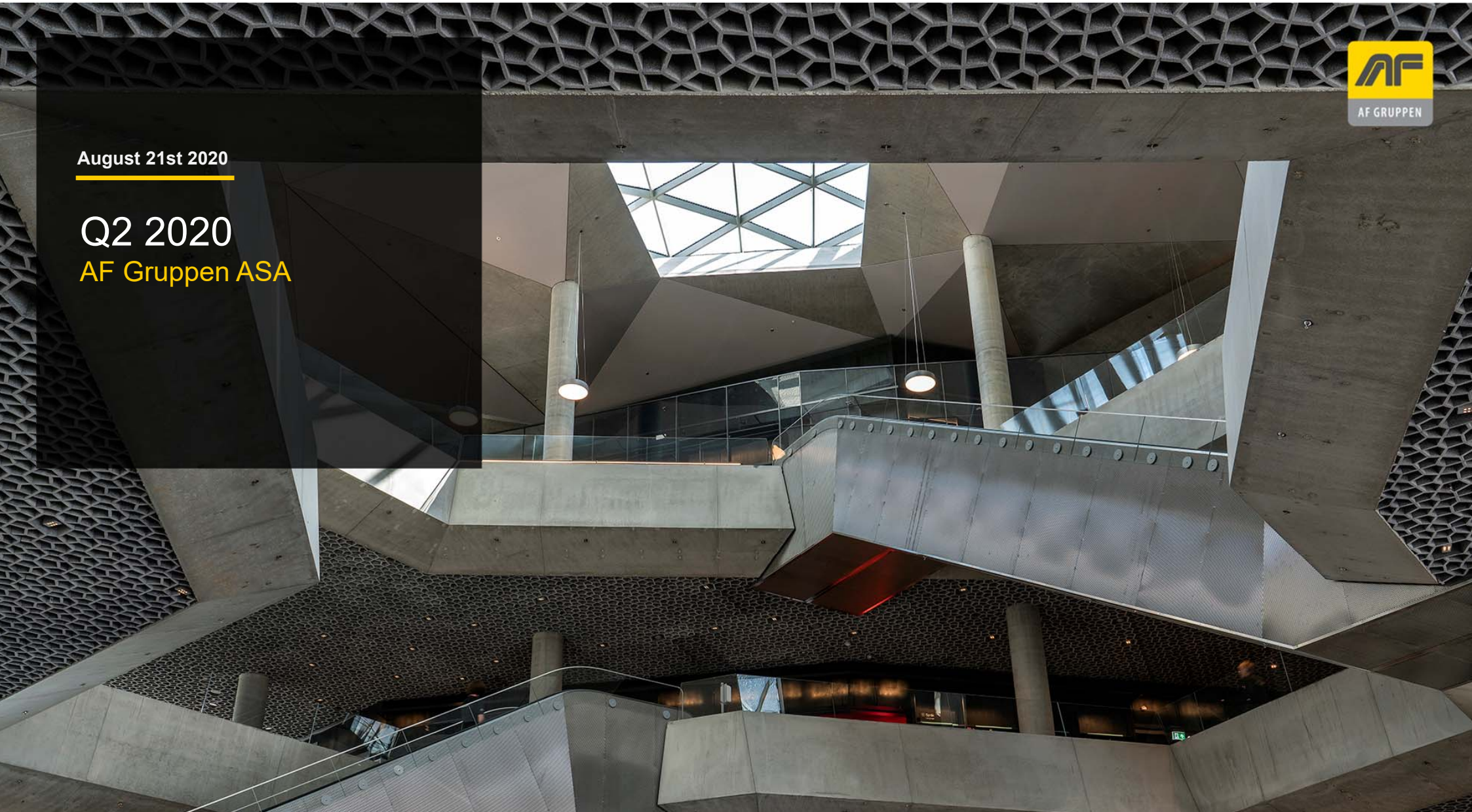


August 21st 2020

Q2 2020

AF Gruppen ASA



2nd quarter 2020



Highlights

Solid revenue growth and record-high order backlog

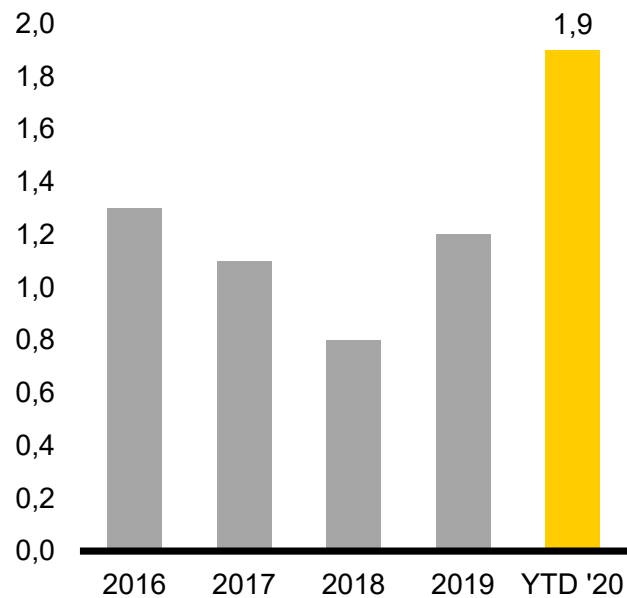
- Revenue: NOK 6,568 million (5,863) in Q2 and NOK 13,175 million (11,077) year-to-date
- Earnings before tax: NOK 258 million (363) in Q2 and NOK 465 million (590) year-to-date
- Profit margin: 3.9 % (6.2 %) in Q2 and NOK 701 million (542) year-to-date
- Cash flow from operations: NOK 202 million (284) in Q2 and NOK 701 million (542) year-to-date
- Record high order backlog: NOK 34,155 million (23,085) as of 30 June 2020
- Net interest-bearing debt of NOK 49 million (753) as of 30 June 2020

2nd quarter 2020



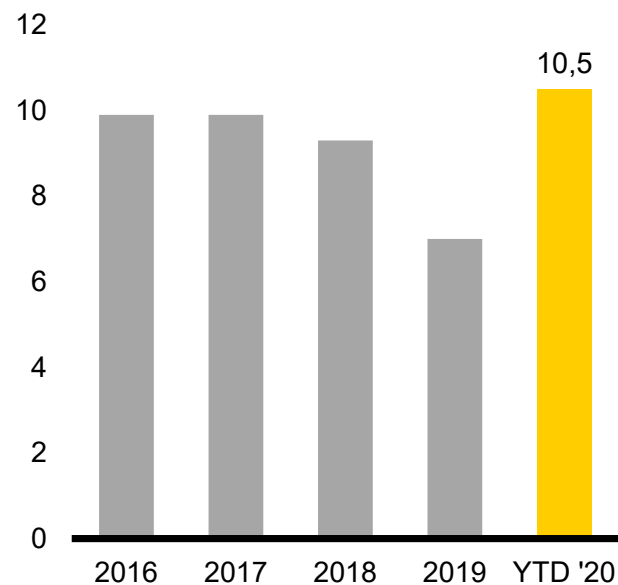
Safety

Lost-time injury frequency (LTIF)



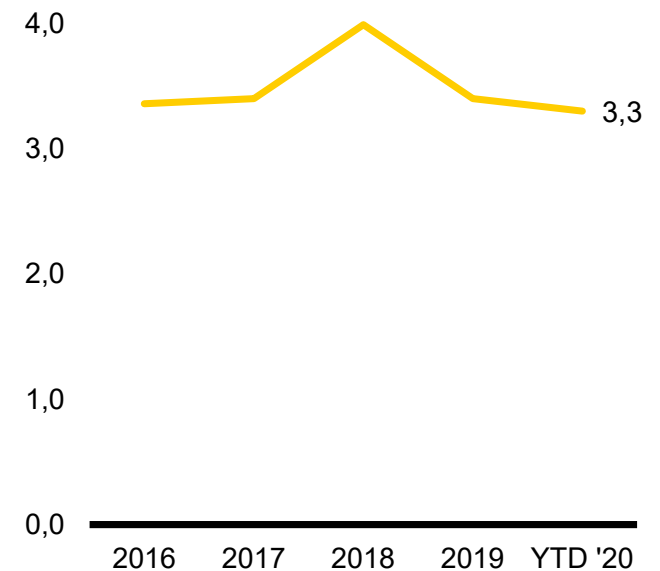
Number of lost-time injuries and severe personnel injuries not resulting in lost-time per million hours worked

Total recordable injury frequency (TRIF)



Number of lost-time injuries, injuries involving substitute work and medical treatment injuries per million hours worked

Reported unwanted incident frequency (RUIF)



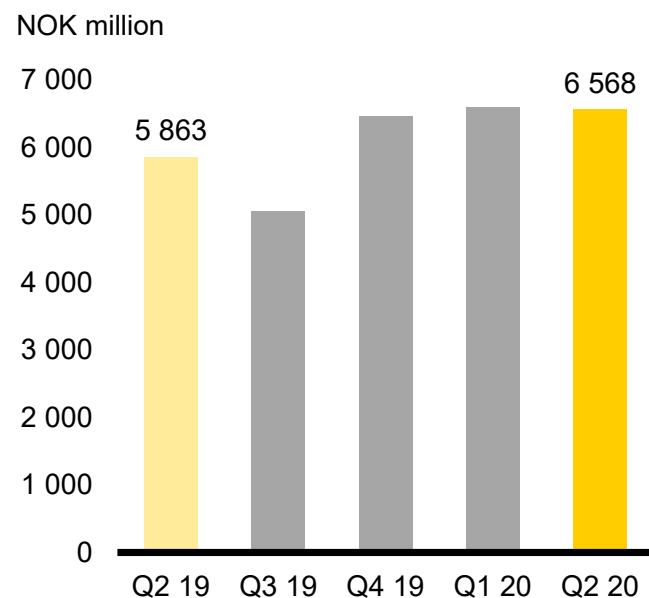
Number of reported unwanted incidents per man-year

2nd quarter 2020

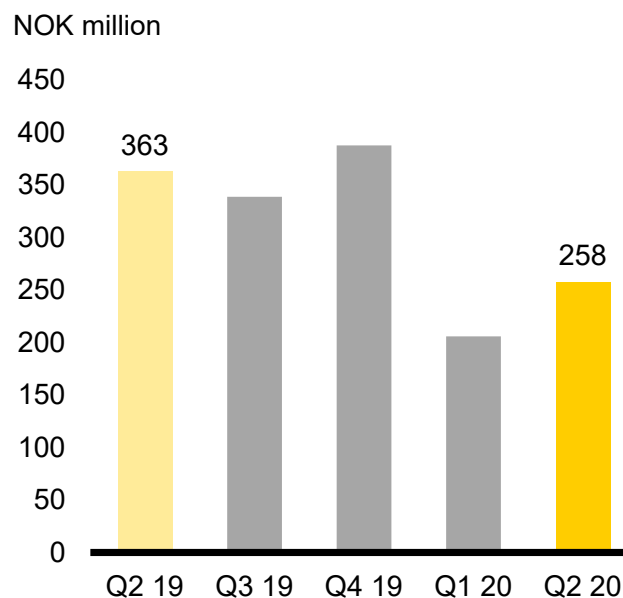


Revenues and earnings – quarterly

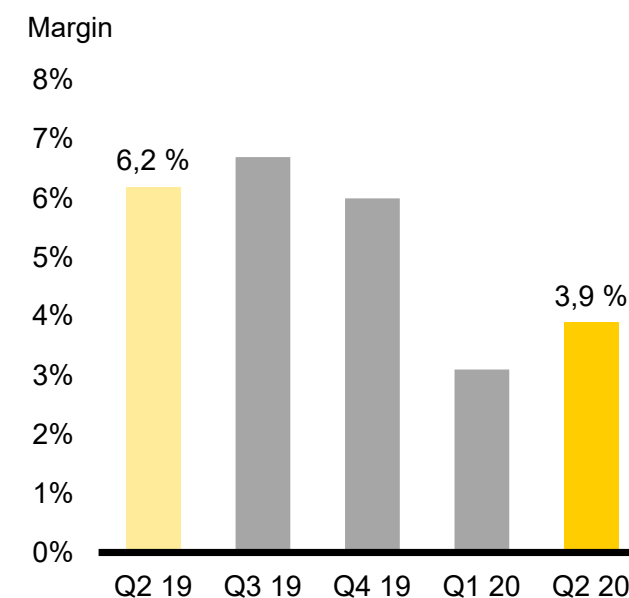
Revenues



Earnings before tax



Profit margin

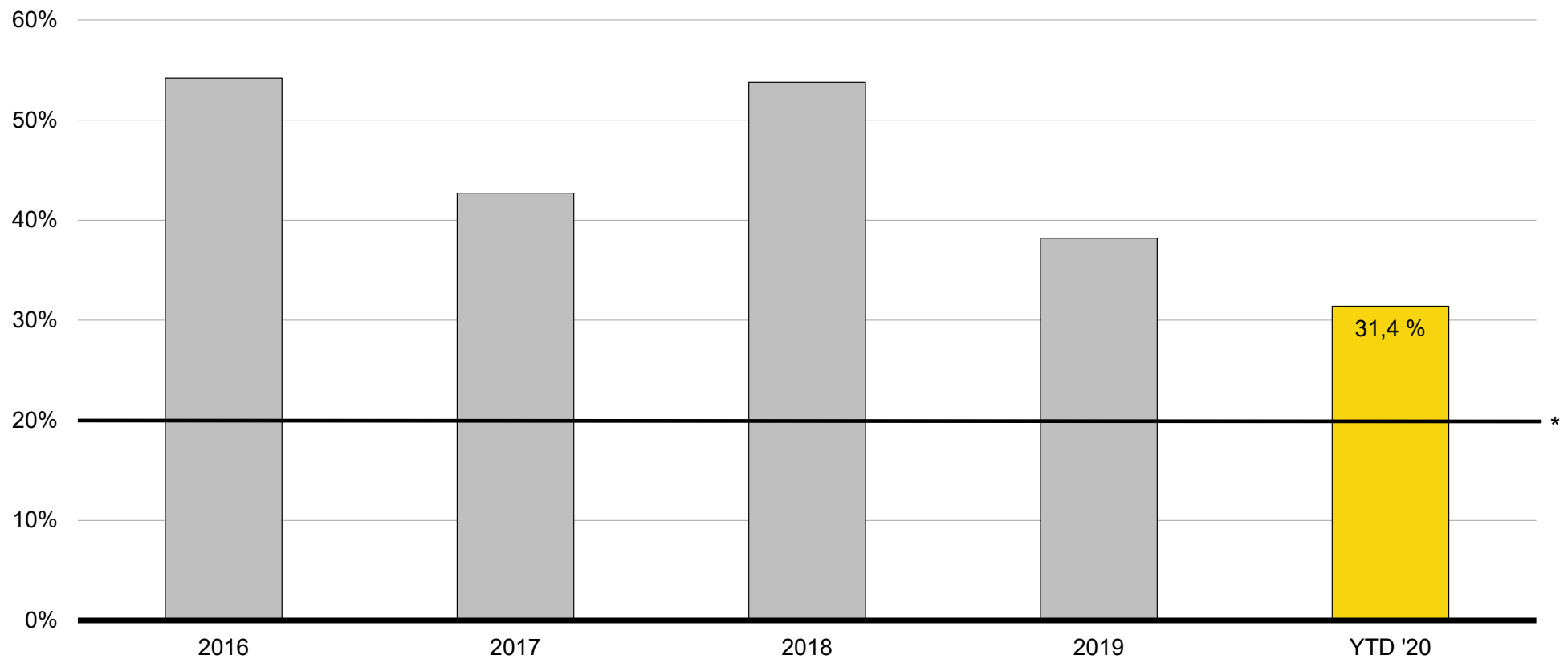


2nd quarter 2020



Return on capital employed

Rolling average last four quarters



AF's target is to achieve a return on capital employed above 20 %

2nd quarter 2020



Cash flow statement

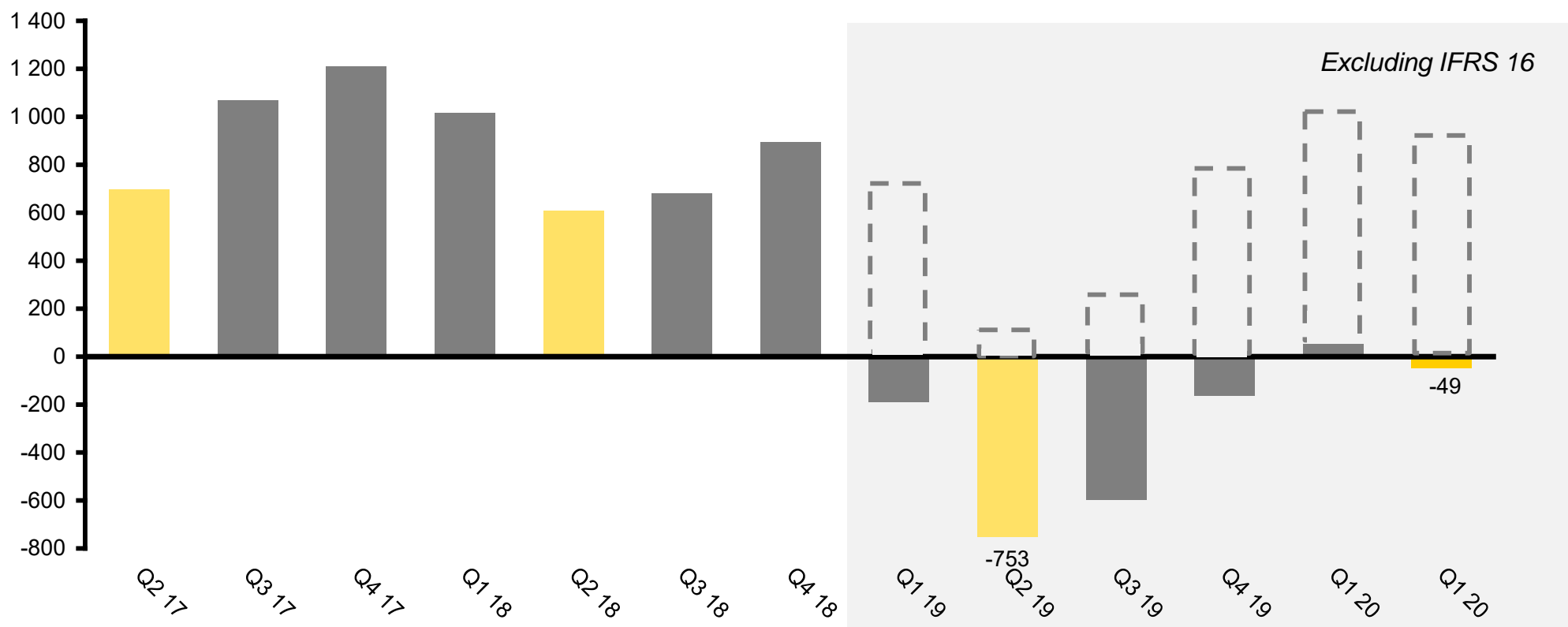
NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
EBIT	263	369	476	601
Depreciations, amortization and impairment	137	117	270	227
Change in net working capital	-112	-80	99	-116
Other adjustments / taxes paid	-87	-122	-144	-170
Cash flow from operations	202	284	701	542
Net investments	35	-102	-62	-490
Cash flow from capital activities	-360	-655	-512	-743
Interest paid and change in interest bearing debt	-75	437	-144	403
Net change in cash and cash equivalents	-199	-36	-17	-288
Net cash and cash equivalents at beginning of period	764	405	563	656
Change in cash and cash equivalents without cash effect	-4	1	16	3
Net cash and cash equivalents end of period	561	370	561	370

2nd quarter 2020



Net interest-bearing receivables

NOK million



All the company's covenants exclude the effect of IFRS 16

The implementation of IFRS 16 from January 1st 2019 led to an increase of interest-bearing debt. As of 30 June 2020, the effect was NOK 908 million

2nd quarter 2020



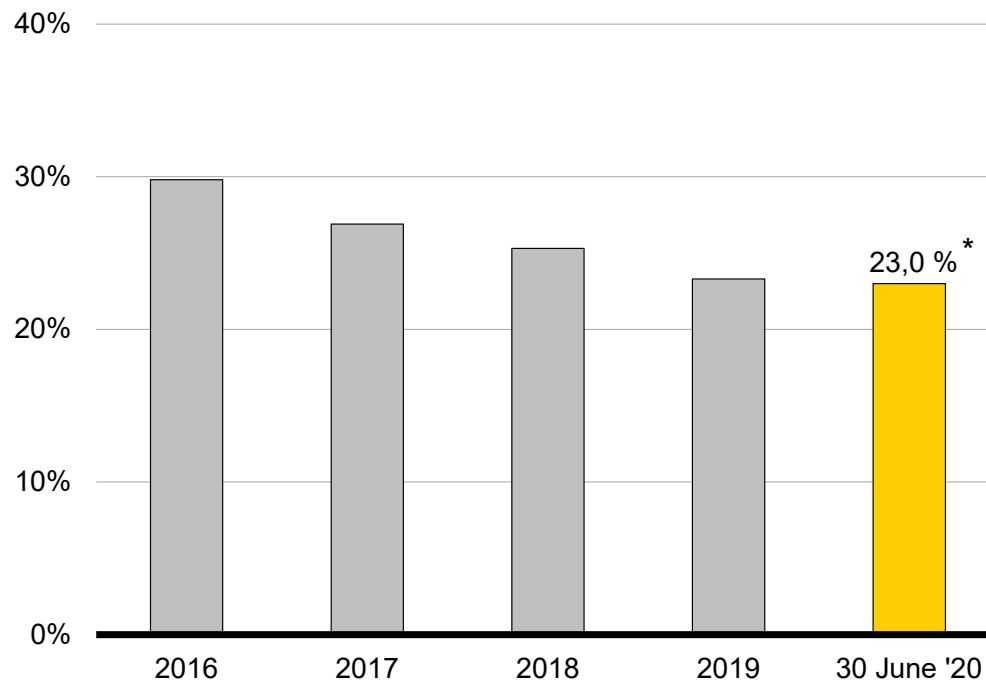
Balance sheet

NOK million	30.06.2020	30.06.2019	31.12.2019
Non-current assets	7,833	5,796	7,718
Current assets, ex. cash	4,280	4,392	4,574
Cash and cash equivalents	561	370	563
Total assets	12,674	10,599	12,854
Equity	2,919	1,856	2,999
Long term debt	1,473	1,451	1,423
Short term debt	8,282	7,252	8,432
Total equity and debt	12,674	10,559	12,854

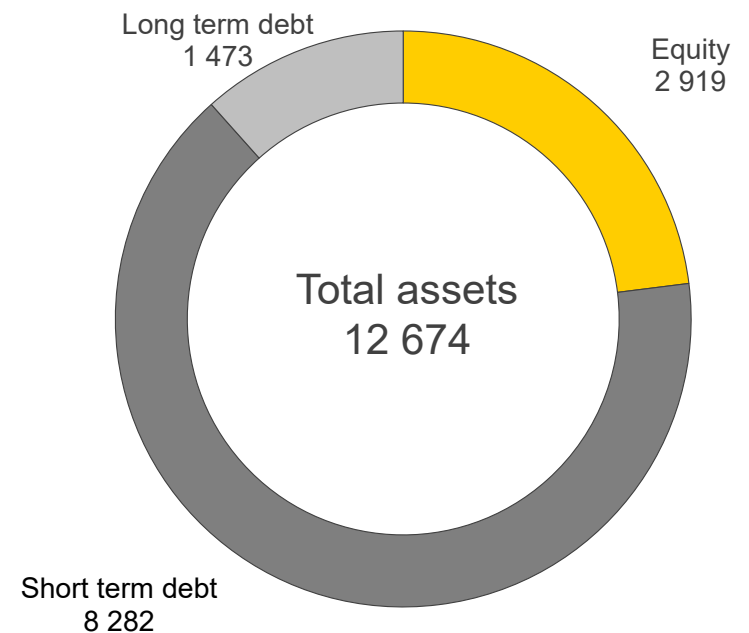
2nd quarter 2020



Equity ratio



* Equity ratio excluding the effect of IFRS 16 would be 25,0 % at 30 June 2020
All the company's covenants exclude the effect of IFRS 16

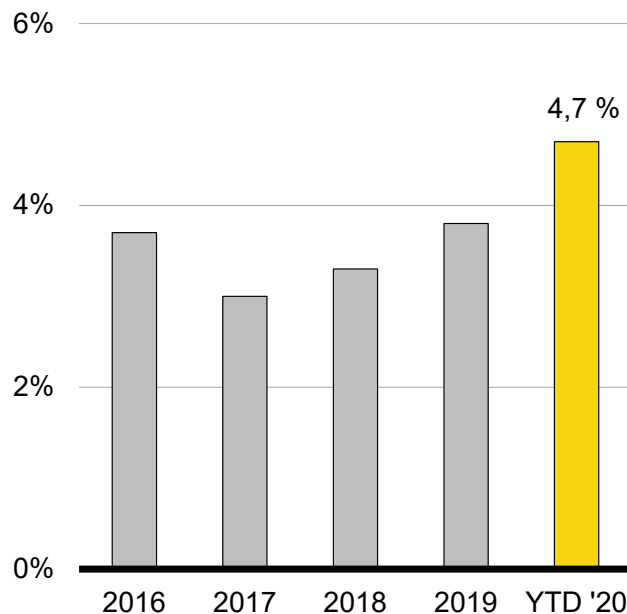


2nd quarter 2020



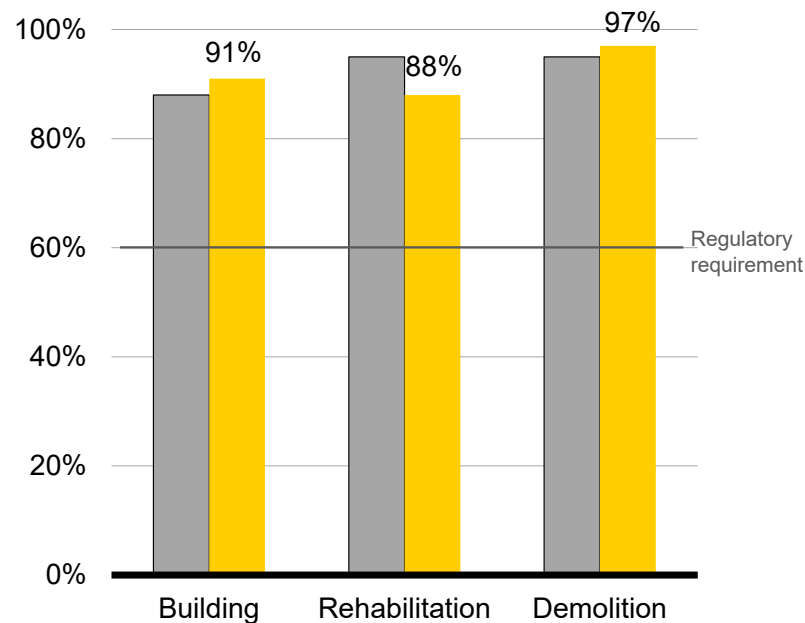
Health and environment

Sick leave



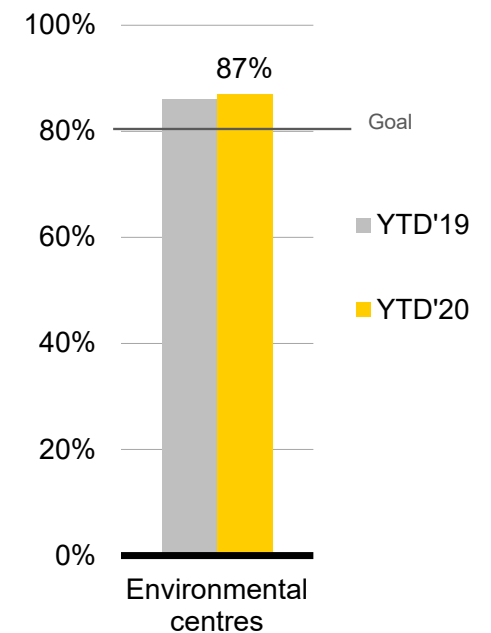
Sick-leave increased due to Covid-19
Covid-19 related absence estimated to 1,1%

Source separation rate



A total of 159,530 (146,480) tonnes of waste have been sorted YTD 2020

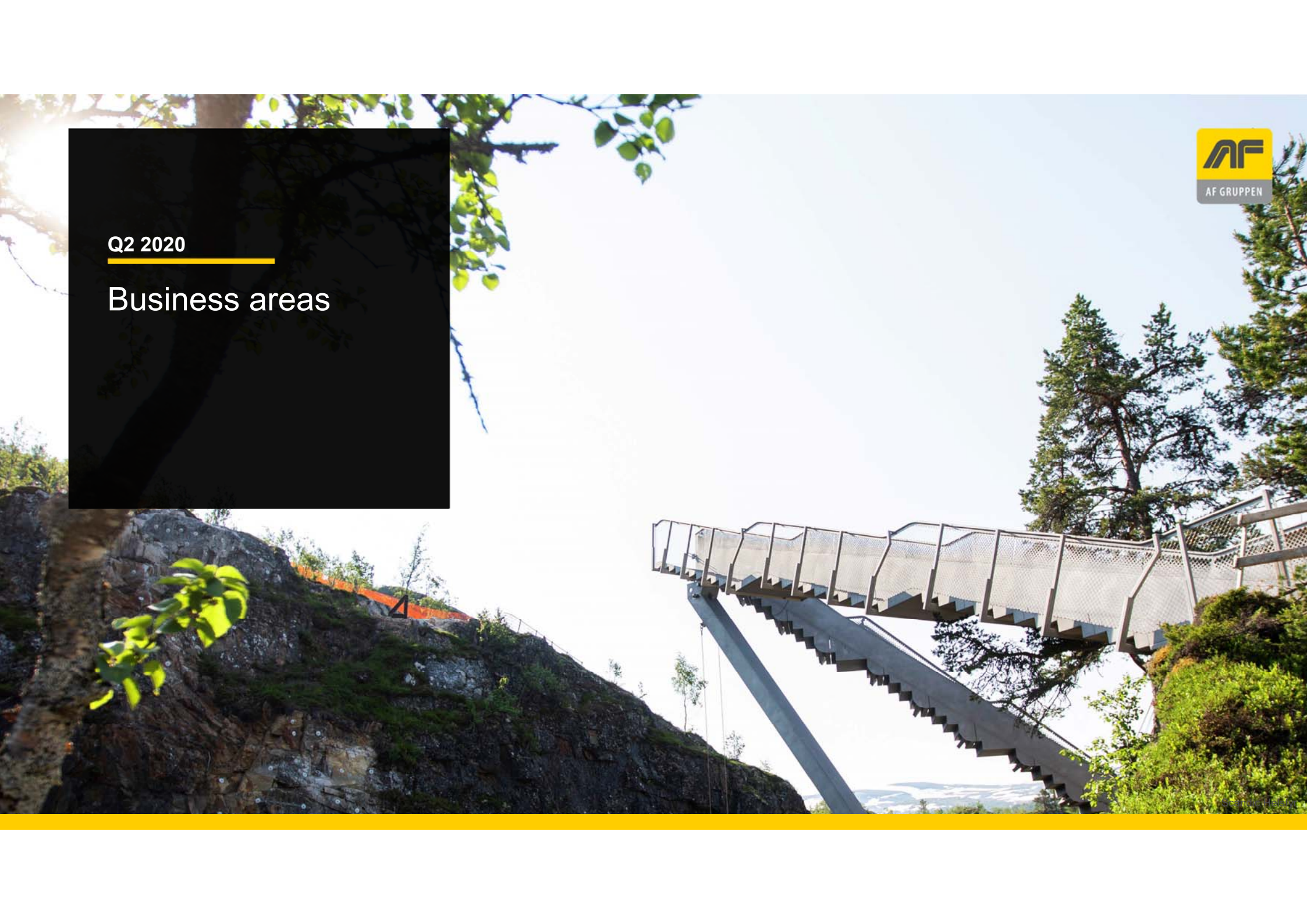
Recycling rate



A total of 248,730 (233,555) tonnes of contaminated materials have been recycled YTD 2020

Q2 2020

Business areas



Solid margins

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	902	1,706	1,810	3,363
EBIT	54	90	118	161
EBT	52	89	120	163
EBIT %	6.0 %	5.3 %	6.5 %	4.8 %
EBT %	5.8 %	5.2 %	6.6 %	4.8 %

- Revenues in AF Anlegg declined by almost half compared to the same quarter last year, when the major E18 Tvedestrand-Arendal project represented a significant portion of the revenues
- Planning of the project Bergtunnlar Lovö in Stockholm valued at SEK 3,400 million has started, and start up of production is expected in Q3
- There are several projects in the final phase that contributed to good margins for AF Anlegg
- Målselv Maskin & Transport with a good level of activity. The unit has never before reported better earnings in a 2nd quarter
- Order backlog: NOK 8,026 million (5,740)

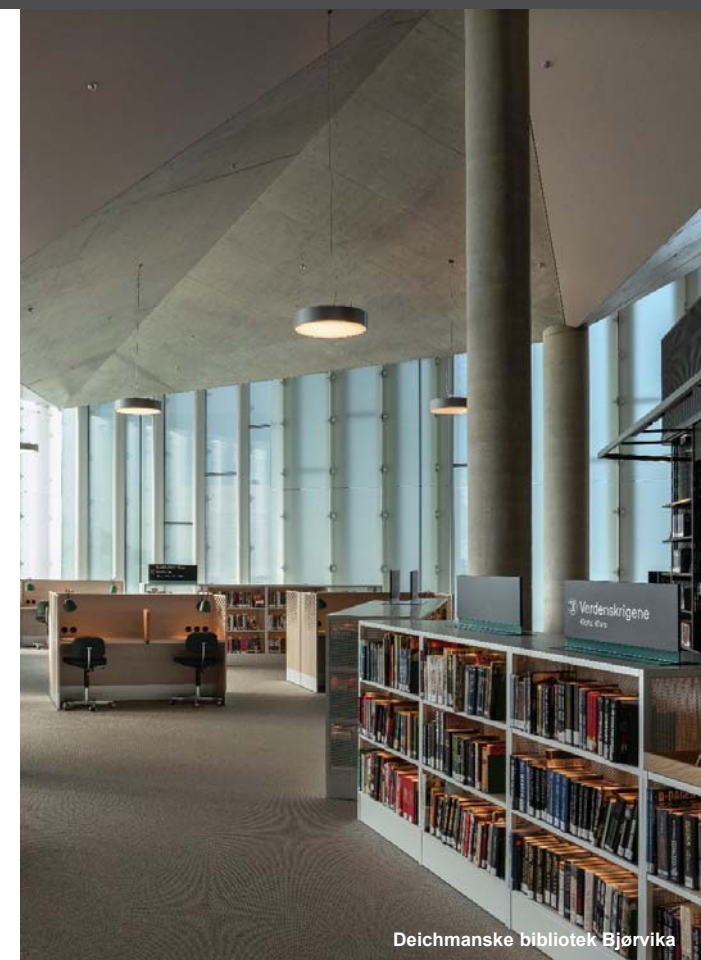


E39 Kristiansand Vest – Mandal Øst

Good activity level, but Eiqon with negative results

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	2,347	2,736	4,854	5,244
EBIT	91	164	206	292
EBT	92	169	209	301
EBIT %	3.9 %	6.0 %	4.2 %	5.6 %
EBT %	3.9 %	6.2 %	4.3 %	5.7 %

- AF Bygg Oslo, Haga & Berg and AF Håndverk delivered very good results
- Eiqon delivered a very poor result during the quarter due to losses and provisions for risk on several projects in its portfolio
- Due to the uncertainty surrounding the impact of COVID-19, fewer residential property projects have started and the competition for public construction projects is increasing
- Order backlog: NOK 10,622 million (11,792)



Deichmanske bibliotek Bjørvika

Variation in results

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	1 997	-	3 820	-
EBIT	60	-	104	-
EBT	55	-	101	-
EBIT %	3,0 %	-	2,7 %	-
EBT %	2,8 %	-	2,6 %	-

- Variation in the results of the various units
- Betonmast Romerike with strong results
- Betonmast Boligbygg, Betonmast Telemark and Betonmast Ringerike reported weak results
- Betonmast Bergen was sold to Backe Gruppen during the quarter
- Order backlog: NOK 8,876 million



Illustration: Landås

Good sales

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	6	4	12	7
EBIT	10	23	14	60
EBT	9	23	12	58
Capital employed	903	922	903	922

- Residential unit sales slowed down toward the end of 1st quarter as a result of the spread of COVID-19, but have improved significantly during Q2. 70 (80) apartments sold in 2nd quarter, of which AF's share is 25 (37)
- Five residential property projects under production with a total of 663 apartments (AF's share is 237). The sales ratio for commenced projects is 78 per cent at the end of the 2nd quarter. Number of unsold completed apartments was 13 (1), of which AF's share was 4 (0,3)
- A significant development portfolio estimated at 2,413 (2,154) units, AF's share of this was 1,173 (996) residential units
- After the end of the quarter a bid was accepted for sale of the ATEA building. The bid is subject to financing and due diligence. Transaction expected to be completed in Q4



Illustration: MIDT, Lørenskog

Good margins

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	219	288	443	505
EBIT	15	16	17	24
EBT	11	15	18	22
EBIT %	6,9 %	5,5 %	3,8 %	4,8 %
EBT %	5,2 %	5,1 %	4,0 %	4,3 %

- AF Energi & Miljøteknikk reported results below expectation for the quarter. Variable profitability in the project portfolios
- AF Decom reported good results in the quarter. The unit had somewhat lower activity compared to the same quarter last year, but the margins improved. Strong performances in both demolition and recycling at AF's environmental centres
- Order backlog: NOK 607 million (628)



Revenue growth and improved margins

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	1,064	925	2,099	1,763
EBIT	41	28	83	61
EBT	39	27	80	59
EBIT %	3.8 %	3.0 %	3.9 %	3.4 %
EBT %	3.7 %	2.9 %	3.8 %	3.3 %

- Revenue growth of 15 percent compared to the same quarter last year, which is primarily attributed to revenue growth in Kanonaden and HMB
- AF Bygg Syd reported good profitability for the quarter, while HMB and AF Bygg Göteborg reported profitability somewhat below expectations. AF Härnösand Byggreturer maintained good earnings
- Kanonaden reported strong revenue growth and delivered good results. The discontinuation of the foundation business in Pålplintar is expected to be completed in Q3 2020. AF Projektutveckling, AF's property business in Sweden, has a residential and school project under production
- Order backlog: NOK 3,597 million (2,939)



Low activity level and weak results

NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	174	191	302	314
EBIT	2	5	-51	-3
EBT	-4	1	-60	-11
EBIT %	1.0 %	2.6 %	-16.8 %	-1.1 %
EBT %	-2.5 %	0.6 %	-19.8 %	-3.4 %

- The outbreak of COVID-19 and the fall in oil prices has resulted in very challenging market conditions for the company's offshore businesses
- AF Offshore Decom reported a low level of activity and delivered weak results for the quarter. The level of activity at Vats was limited at the beginning of the quarter, but the base was fully operational in June. Successful offshore and subsea campaigns have been carried out
- AF Gruppen has been awarded a contract by Shell UK Ltd for the dismantling and recycling of the FPSO unit Curlew. This represents a new market segment with opportunities going forward
- AF AeronMollier delivered positive results in the quarter
- Order backlog: NOK 1,693 million (1,474)



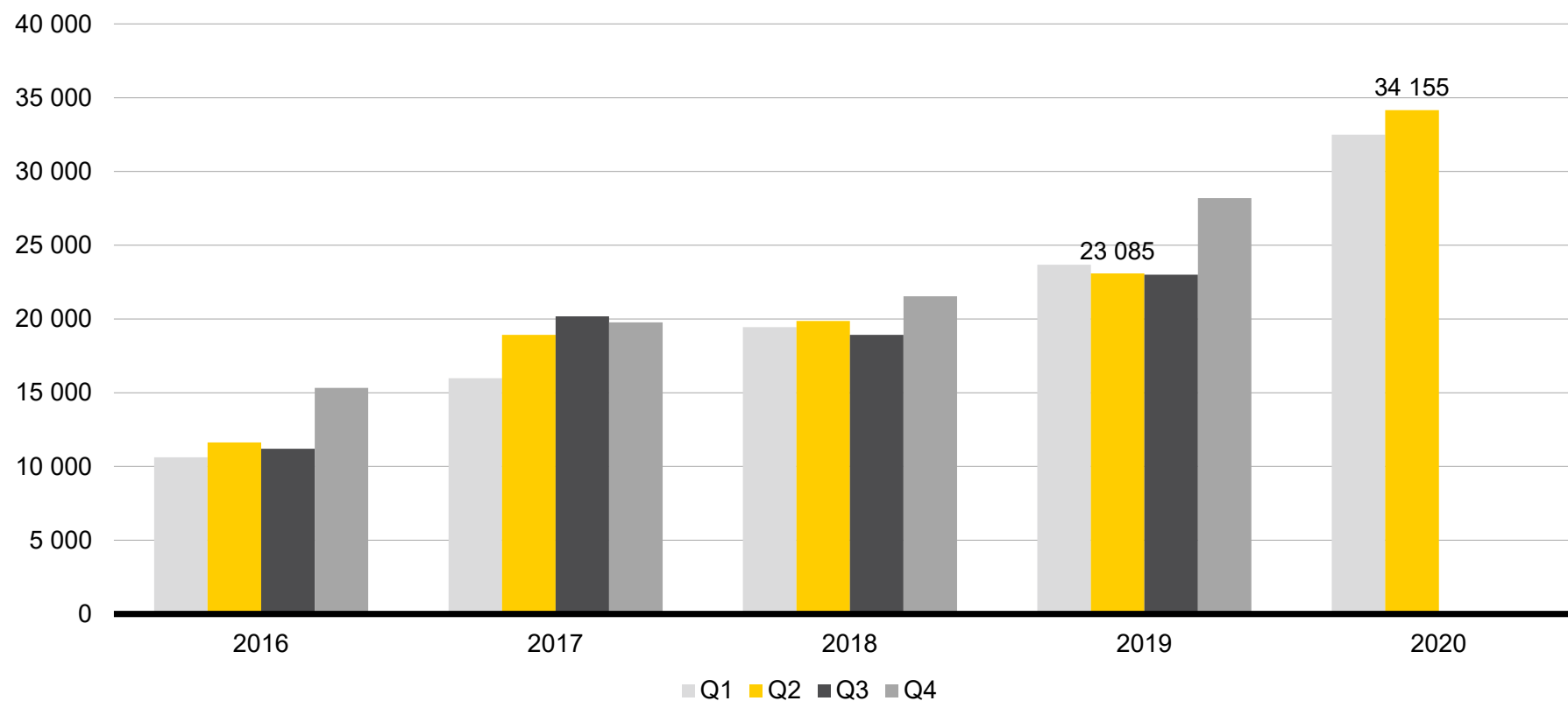
Miljøbase Vats

Order backlog



A record high order backlog

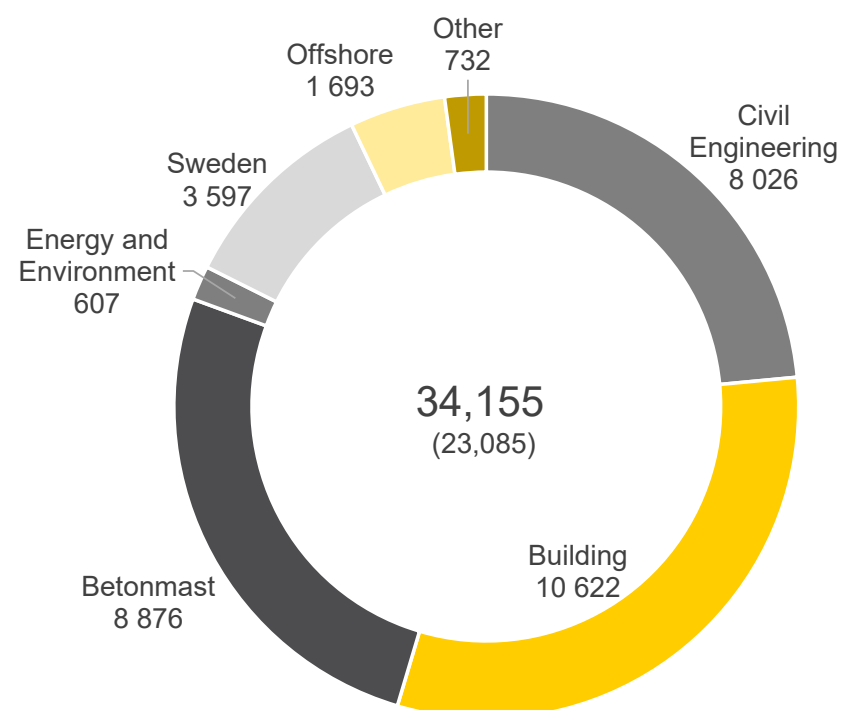
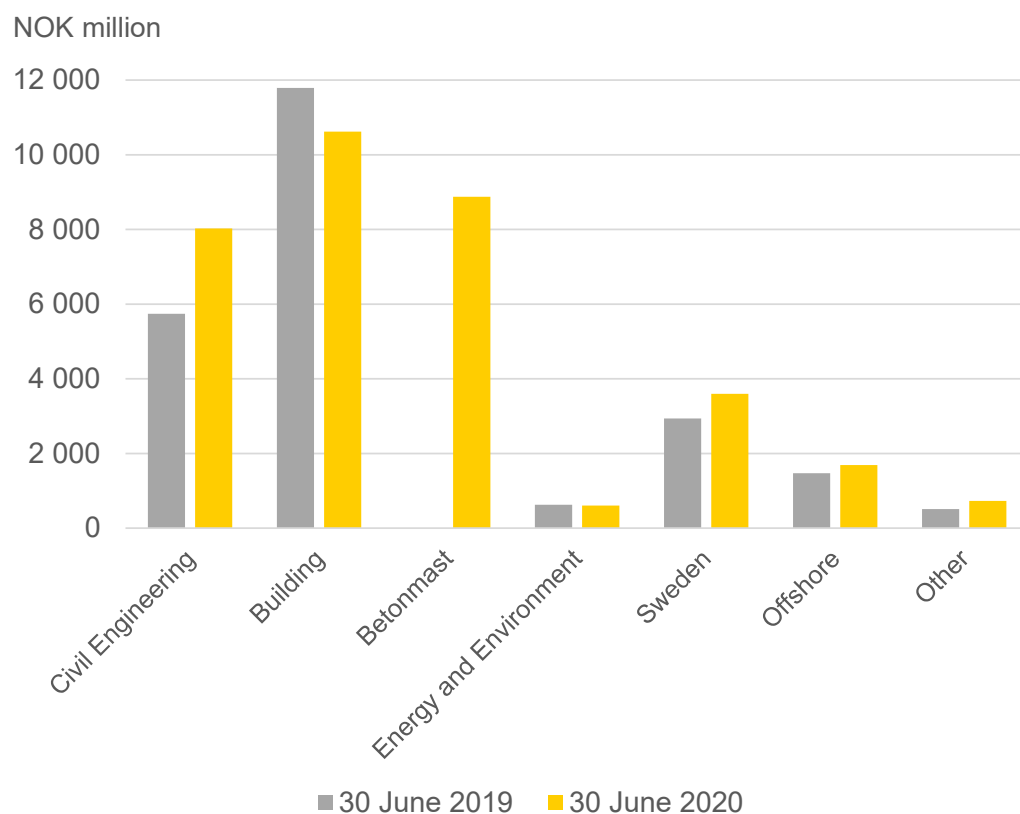
NOK million

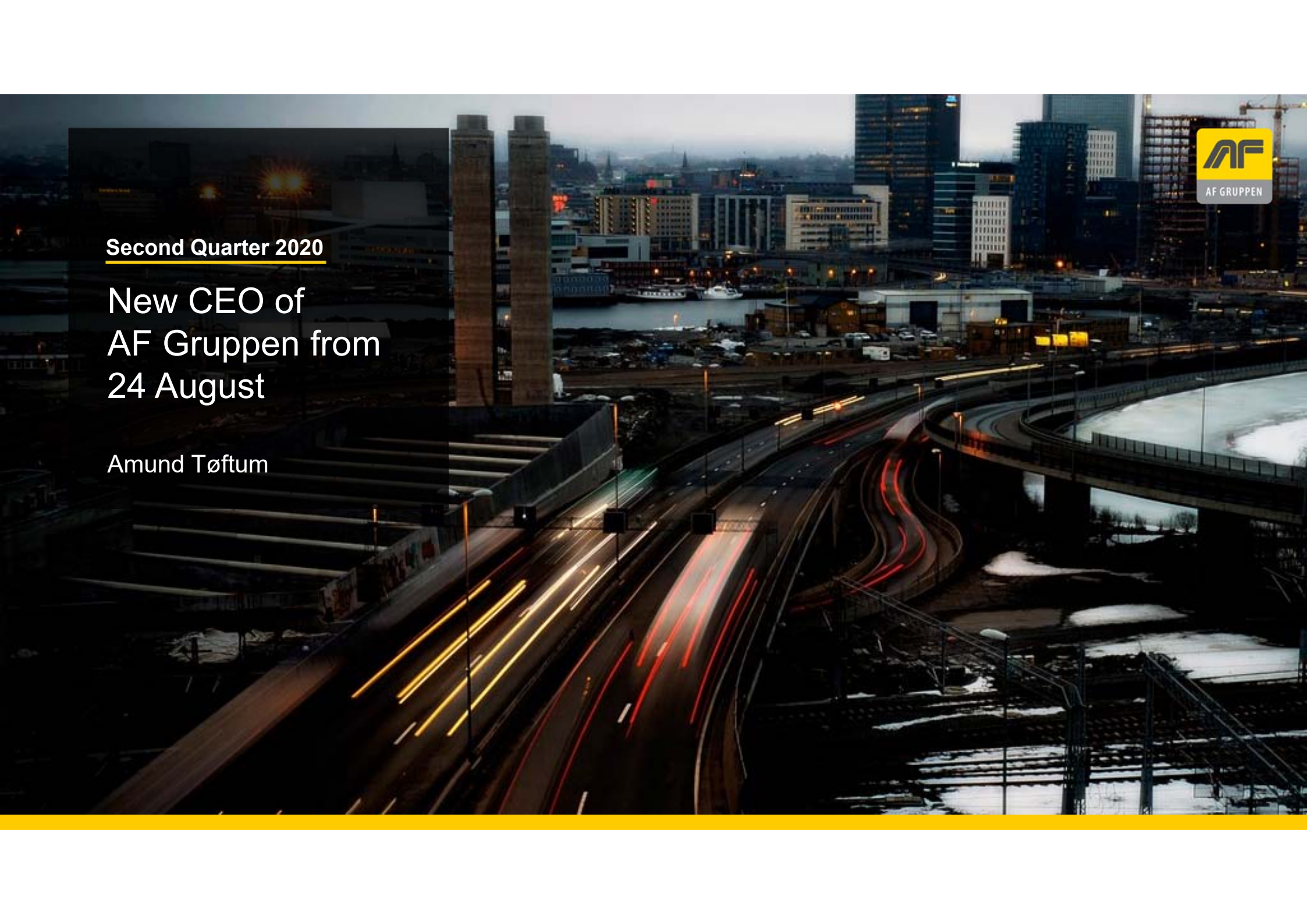


Order backlog



Order backlog per business area





Second Quarter 2020

New CEO of
AF Gruppen from
24 August

Amund Tøftum



Success factor: Safe and profitable operations



To recruit, grow and retain the best people

We will maintain AF's historically good results and profitability performance.



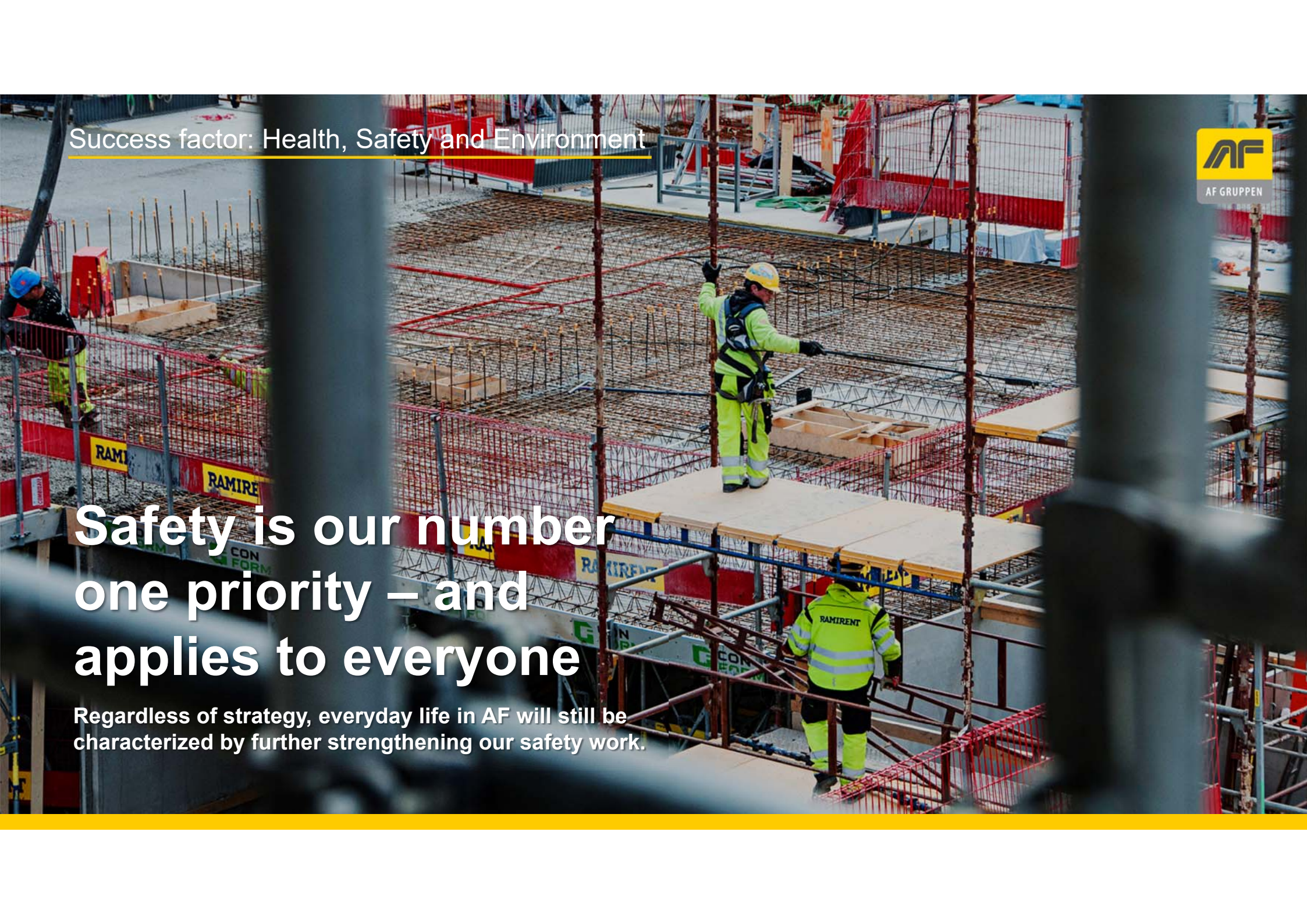
Success factor: Safe and profitable operations



Operational excellence is the foundation

It is at the project sites where salaried employees and skilled workers perform together that our profitability and values for society are created.





Success factor: Health, Safety and Environment

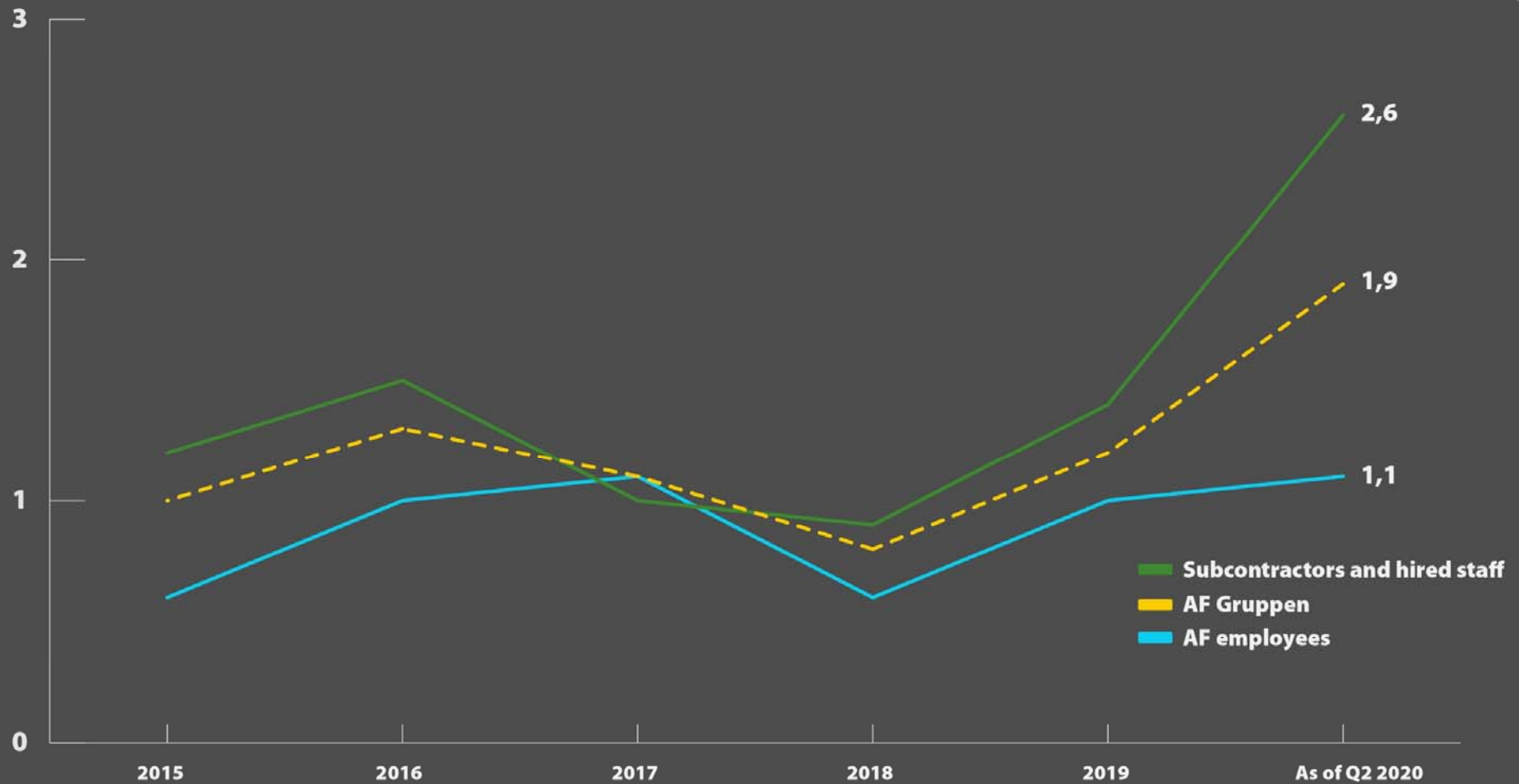


**Safety is our number
one priority – and
applies to everyone**

Regardless of strategy, everyday life in AF will still be characterized by further strengthening our safety work.

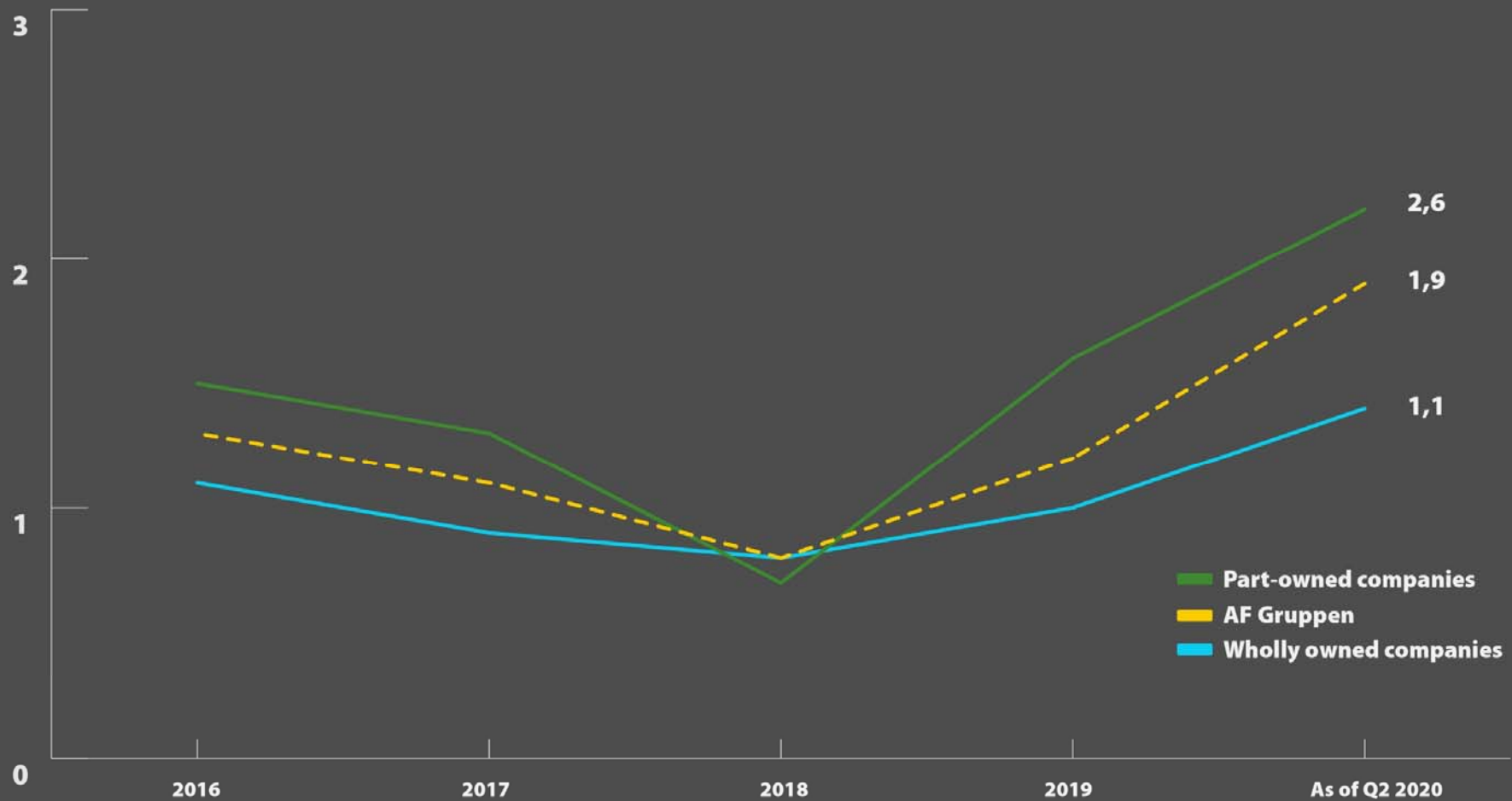
LTI-1 rate development in the period from 2015 to 2020 | AF and its subcontractors

The number of injuries resulting in absence and serious personal injuries without absence per million man-hours.



LTI-1 rate development in the period from 2016 to 2020 | AF Gruppen's wholly and part-owned companies

The number of injuries resulting in absence and serious personal injuries without absence per million man-hours



Success factor: Develop and improve



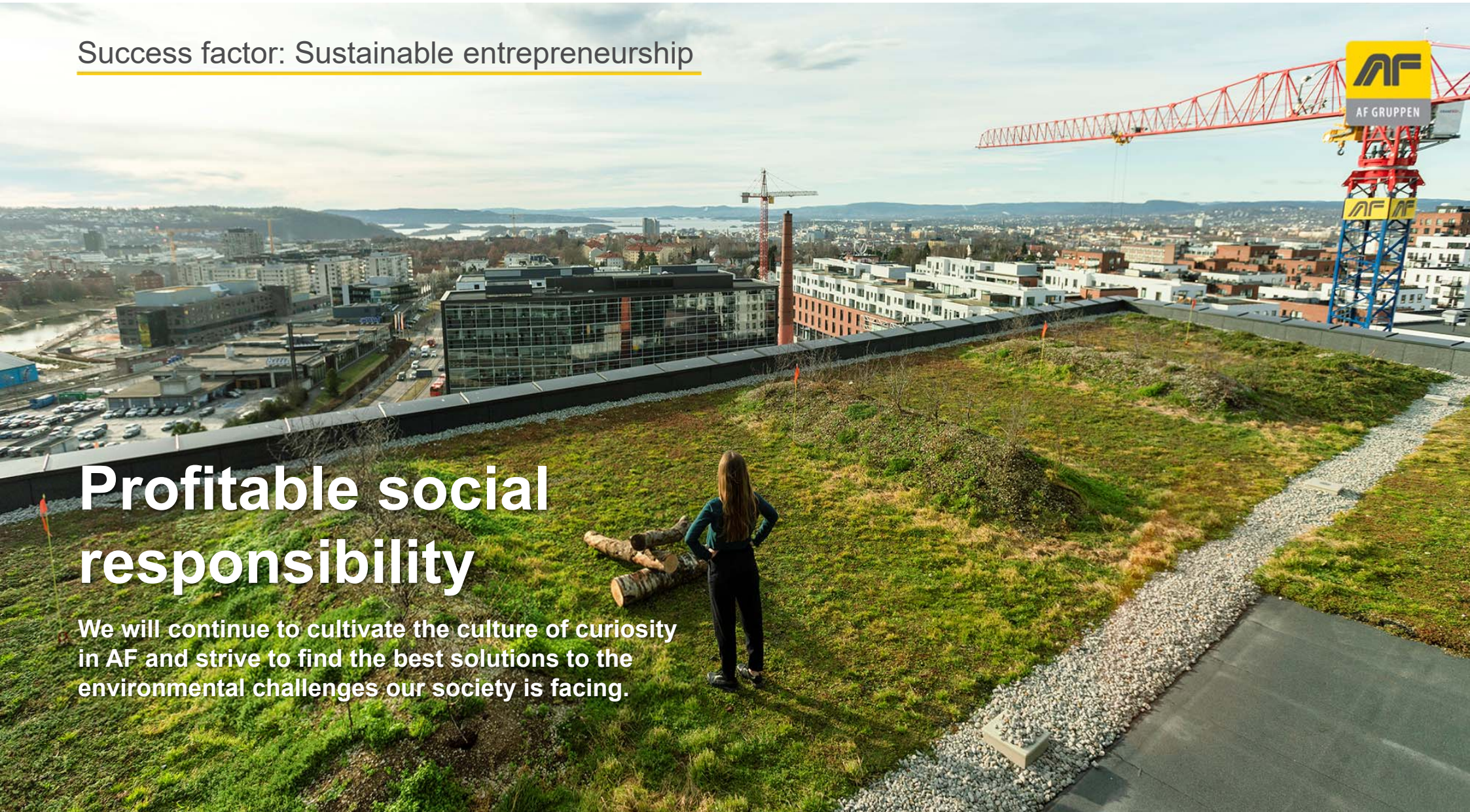
Curiosity

We will continue to renew ourselves and acquire expertise that makes us relevant to the customer and society in the future.

Success factor: Sustainable entrepreneurship

Profitable social responsibility

We will continue to cultivate the culture of curiosity in AF and strive to find the best solutions to the environmental challenges our society is facing.



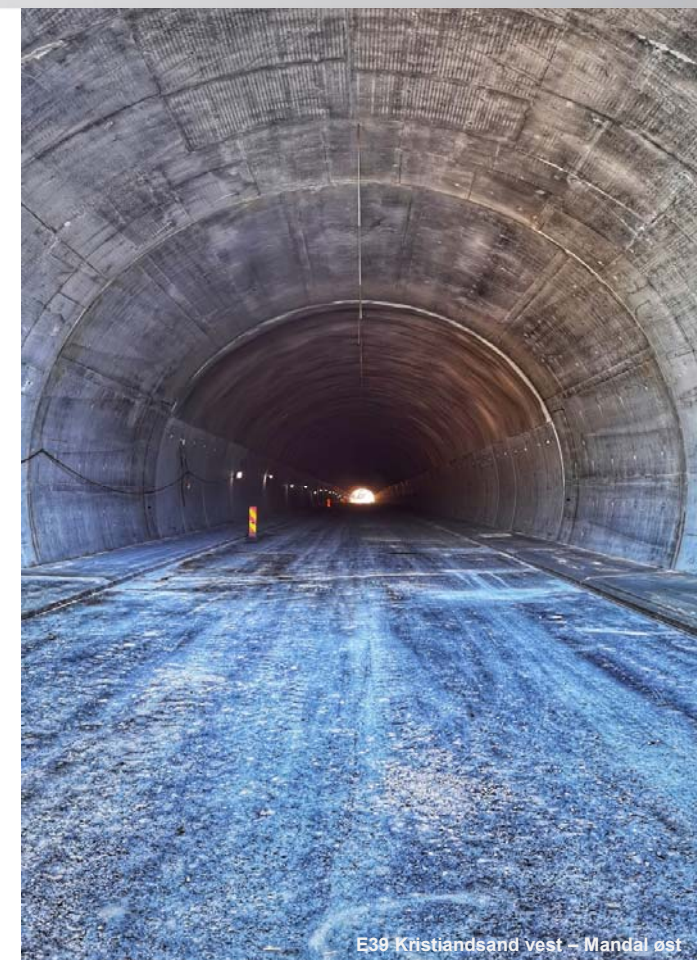
2nd quarter 2020

Summary

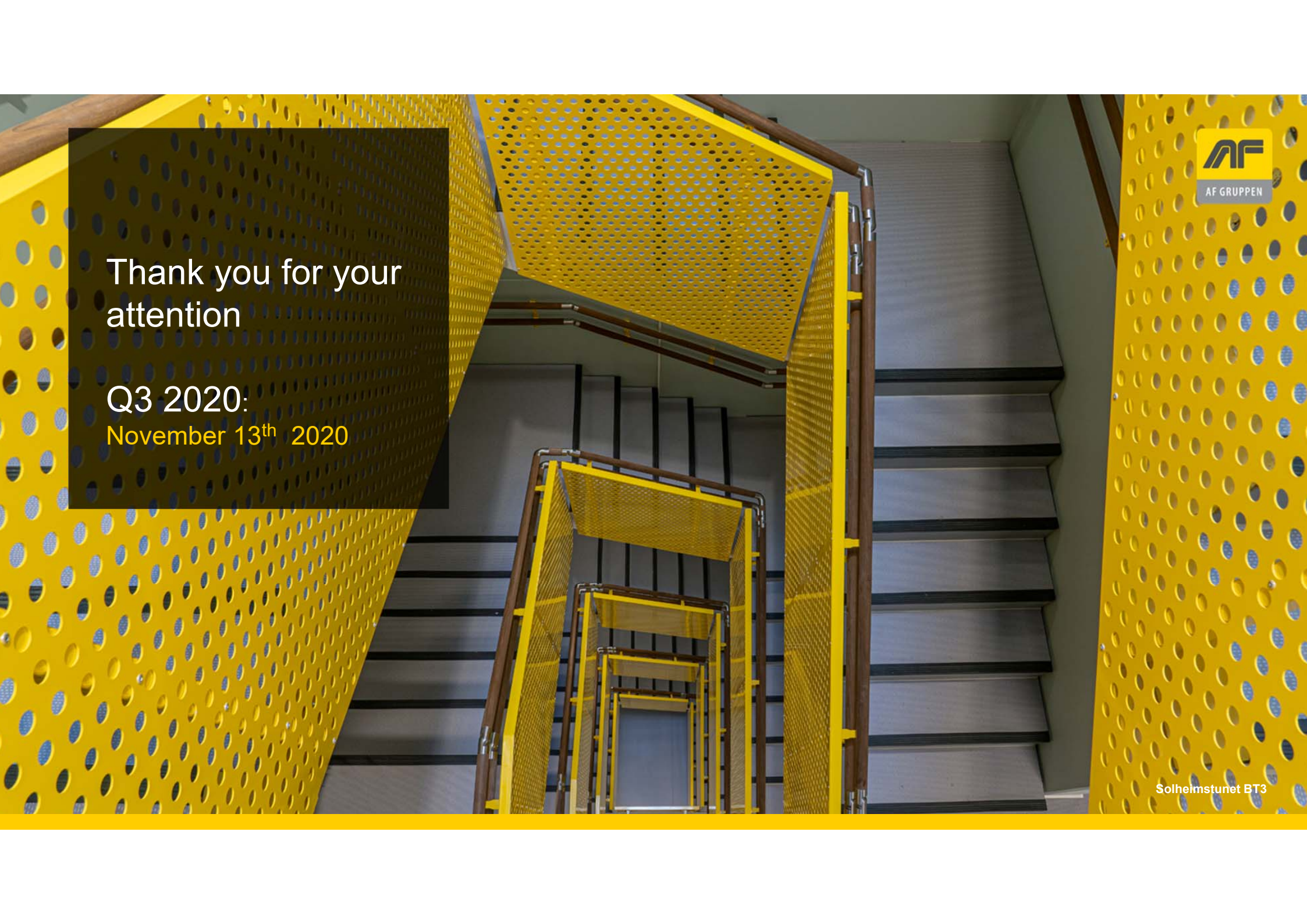


NOK million	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenues	6,568	5,863	13,175	11,077
EBIT	263	369	476	601
EBT	258	363	465	590
EBIT %	4.0 %	6.3 %	3.6 %	5.4 %
EBT %	3.9 %	6.2 %	3.5 %	5.3 %

- Revenue growth continues
- Results lower than in 2nd quarter last year
- Strong financial position
- Record high order backlog: NOK 34,155 million (23,085)



E39 Kristiansand vest – Mandal øst



Thank you for your
attention

Q3 2020:
November 13th 2020